

August 8, 2003

Questions and Answers for the Amended Request for Proposal:

- 1) Q: On the Cost Proposal Worksheet, there is no line item for actual expenses. Will it be acceptable to insert lines for expenses? If yes, which expenses can be included (procured materials (printed matter, board book, supplies - such as shrink-wrap and packaging materials, freight, travel, other?)

A) Each bidder should submit all costs associated with the project as described in the Request for Proposal. Proposers should build their budget by determining where to report each cost, and then place the information in the respective sub-category in the Cost Proposal Worksheet. If you want to add additional line items, you may. The Cost Proposal Worksheet is a sample document, and reflects the minimum information you may submit, so you may use a different format altogether if you wish. The winning proposer will be asked to furnish detailed invoices. For the purpose of evaluating cost proposals, we will only be looking at the Total Project Cost.
- 2) Q: While we plan on providing all services in-house, we will be outsourcing the printing and of course procuring the sole-source books. Since the printers will not be able to provide a per-hour costing model, how will you want the cost for the printed matters listed on the cost proposal worksheet.

A) Each proposer must determine estimated printing costs and place the information in an appropriate line item or use one of the sub-categories of the Cost Proposal Worksheet.
- 3) Q: Freight cannot be quoted on a per-hour basis, since neither the USPS nor any other carrier will be willing to provide quotes using this costing model. How would you want the bidder to include freight cost on the worksheet?

A) You will have to estimate shipping costs. Please refer to the document we have placed on the website which reports the number of Kits shipped to each county to help you with your estimates.
- 4) Q: Will freight be reimbursed on an actual cost basis, or is the bidder required to include freight in the cost proposal worksheet, and if so, how?

A) The winning proposer will bill actual freight costs. However, each proposer will have to estimate freight costs for the purpose of evaluation. Please refer to the document on the website which reports the number of Kits shipped to each county to help you with your estimates.

- 5) Q: Will it be acceptable to include a line item for program management costs to cover the expenses of procurement, inventory management, meetings, facilities, general overhead, such as phone bills, and financial risk etc.? If so, how and where do you want the bidder to include this cost? If not, how would the vendor be compensated.
- B) A: Each bidder should submit all costs associated with the project as described in the Request for Proposal. Proposers should build their budget by determining where to report each cost, and then place the information in the respective sub-category in the Cost Proposal Worksheet. If you want to add additional line items, you may. The Cost Proposal Worksheet is a sample document, and reflects the minimum information you may submit, so you may use a different format altogether if you wish. The winning proposer will be asked to furnish detailed invoices. For the purpose of evaluating cost proposals, we will only be looking at the Total Project Cost.
- 6) Q: In the amendment to the current contract, Attachment II, there is a line item for personnel cost. Is that for vendor personnel cost or does this attachment refer to CCFC internal costs? If vendor personnel cost, will similar costs be reimbursed to the vendor under the new proposal?
- A) The current contractor is another state agency. "Personnel costs" refers to their direct labor costs. As the prime contractor, your personnel costs would go under Direct Labor on the Cost Proposal Worksheet.
- 7) Q: In the amendment to the current contract, Attachment II, there is a reference to "other cost". What does this include? Will similar cost be reimbursed to the vendor under the new proposal?
- A) The category "Other costs" is to identify any other costs of the contract that might not fall into one of the listed categories. As a proposer, you will determine where you will place all of your costs on the Cost Proposal Worksheet or whatever alternative format you choose.
- 8) Q: Since there is no line item for indirect labor cost on the cost proposal worksheet, should the direct labor rate be burdened accordingly, or do you expect the vendor to include a separate line for the indirect labor?
- A) You may establish a line item for indirect costs, profit, or any other costs you wish to delineate. The winning proposer will be asked to furnish a detailed budget. Remember, for the purpose of evaluation, we will only be scoring the Total Project Cost, not the total for each section.
- 9) Q: Some costs will be not covered as direct labor cost. How do you want the bidder to handle these costs? An example could be royalties to the authors of the printed books.
- A) See number 8.

- 10) Q: In section 5 "Cost Detail Format and Requirements" there is a reference to "actual expenses incurred". How is that defined, and what is included?
- A) "Actual expenses incurred" means the real, actual amount of expense that you paid to do the work or have it done on behalf of CCFC. Of course, your total invoice would also include your profit margin, either identified or included in your hourly rates.
- 11) Q: On the cost worksheet how do we differentiate years 1, 2 and 3? Do we give a total project cost for all three years combined or a project cost per year?
- A) Please refer to the Cost Proposal Worksheet, which reads: "Identify costs for all components listed in Exhibit 1, for three years, using the following categories." All three years should be combined.
- 12) Q: Will the freight be billed separately as actual cost or should it be included in the project cost?
- A) See number 4.
- 13) Q: Pg. 2, Q. 10 (of the Q and A from the bidders' conference) – What is the average weight of a pallet shipped?
- A) The average weight of a pallet shipped is 460 pounds.
- 14) Q: Pg. 3, Q. 22 (of the Q and A from the bidders' conference)– What is the State's approval process for custom materials? Are all materials approved before the contractor receives them? How does the contractor know the piece is approved?
- A) Counties must submit a customization form (found on our website) before they are allowed to provide materials to customize their Kits. The form is forwarded from the contractor to CCFC for approval. Once approval is given, the contractor contacts the county to negotiate amounts, delivery date, etc. Currently, the form is faxed to CCFC and verbal or email approval is given.
- 15) Q: Pg. 4, Q. 30 (of the Q and A from the bidders' conference) – Is preference given for TACPA, EZA and LAMBRA the same way as for small business (i.e., 5%)?
- A: No.
- The Department of General Services administers these programs and provides resource information about the programs.
- For information on these programs, please check the Internet websites that are listed in D) Preference Programs on page 16 of the RFP.

16) Q: Pg. 7, Q. 52 – There appears to be some confusion between the words "requirements" (in the question) and "encouraged" (in the answer). Please clarify this?

A: Question number 52 reads: Is there a requirement for small business participation? The correct answer is: No. Small business is encouraged to participate. For purposes of this bid small business means "certified" by the Department of General Services, Office of Small Business and DVBE.

So, to clarify: No, there is no requirement for small business participation.

17) Q: RFP Pg. 36, Exhibit 2 – How many of the 250,000 kits/year are custom kits? Is it the 50,000 as stated in the RFP on page 10? How many kits do these 273,000 custom items go into? For example: Sacramento is allotted 14,192 kits (according to County Allocations 2003-04.xls found on the Web site) but have a potential for a minimum of 18,000 English custom kits and 2,000 Spanish custom kits (based on numbers of custom items in Exhibit 2). Please explain and clarify?

A: We have asked you to calculate your costs based on 250,000 Kits per year with 50,000 of those being customized. This is in rough accord with the percentage of custom Kits in the past. The number of counties customizing and the number of Kits they want customized can change at any time. However, for the purposes of evaluating costs, please use the figures we gave you.

The County Allocations spreadsheet we gave you represents 75% of the 2001 birth rate for each county. For example, Sacramento's birth rate is 18,922. To receive Kits beyond the allocation in that spreadsheet, counties must request additional Kits of the CCFC, share their distribution strategy, and be approved for more Kits. When that happens, CCFC will notify the contractor that a county's allocation should be increased and by how much. This is necessary to match allocations to Kit production.

18) Q: Is there a schedule for custom kit orders?

A) Not at this time.

19) Q: Are custom stickers applied to the outside of the kit box before shipping?

A) Most counties place a sticker to personalize their custom Kits, however it is not mandatory.

20) Q: It appears as though County allocation for 2003-04 (404,200 kits) exceeds the minimum 250,000 kits/year the contractor must procure. Please clarify this?

A) For the purpose of bidding, 250,000 Kits was used as a baseline for all bidders to complete the Cost Proposal Worksheet.

21)Q: Given the overlap between the old and new contract, when is the new contractor expected to start shipping? Can the contractor start ordering material October 2? November 15?

A) Until the contract has been approved by the Department of General Services, Office of Legal Services, no work can commence. According to the timeline in the RFP, we expect that to be approximately November 15. At that point, the start date for all activities is negotiable with CCFC. Because the current contractor will be available to fill the need for Kits, it will give the new contractor additional time to develop processes, procure Kit materials, and set systems in place for ordering and shipping, if necessary.

22) Q: If the demand for kits exceeds 250,000 kits/year, how will costs be reimbursed?

A) On the same basis as the first 250,000 Kits were reimbursed. Under the section of the RFP titled "Cost Detail Format and Requirements" on page 10, it says "The State will only pay for hours actually worked at the rates submitted in the cost proposal and for actual expenses incurred, even if the amount of the charges is less than the total proposal amount".

23) Q: When does the State anticipate the new contractor would begin shipping, if the overlap between current contractor is expected to be extended through June 2004?

A) See number 21.

24) Q: When can contractor begin ordering materials? At the time of award October 2, 2003 or at the beginning of the contract term November 15, 2003?

A) See number 21.

25) Q: The proposal states that the "State will only pay for hours actually worked at the rates submitted in the cost proposal and for actual expenses incurred..." How will the actual expenses incurred be figured? Will the contractor need to submit the actual invoices for Kit materials, i.e. videos, brochures, etc. or will the reimbursement be based on the price per hour submitted

A) The contractor will be paid based on actual expenses incurred, which is based on receipts submitted and other agreed upon supporting cost documents. For profit companies will add their profit margin.

26) Q: Is the cost proposal a separate document/proposal from the technical OR is the cost proposal a section of the technical proposal?

The cost proposal is a section of the technical proposal and they are submitted together.